



PSC NEWS

Missouri Public Service Commission

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AmerenUE Electric Customers To See \$30 Million Rate Reduction

Jefferson City (April 1, 2003)---Electric customers of AmerenUE will see their electric bills drop starting today, under the second year of an agreement reached in a PSC Staff complaint case against the state's largest electric utility. That case resulted in an electric rate reduction which is among the largest in state history.

Under an agreement approved by the Missouri Public Service Commission on July 25, 2002, AmerenUE was to make electric rate reductions in April of 2002, April of 2003 and again in April of 2004. Last year, annual electric revenues were reduced by approximately \$50 million. **Effective April 1, 2003, annual electric revenues will drop by an additional \$30 million. For a residential customer using approximately 1,000 kilowatt-hours a month, electric rates will drop by about \$1.06 a month or \$12.72 a year.** A third electric rate reduction of approximately \$30 million will take place on April 1, 2004.

In addition to electric rate reductions in April of 2002, 2003 and 2004, the agreement also called for a one-time bill credit of approximately \$40 million which customers saw in their fall 2002 electric bills.

The agreement also calls for a rate moratorium through June 30, 2006. Unless there is a significant, unusual event that has a major impact upon AmerenUE, the company will not file for a rate increase and parties will not file for a rate decrease before January 1, 2006.

Under the agreement approved in July 2002, AmerenUE shareholders will fund, over a four-year period, approximately \$17 million in customer-assistance programs as well as another \$5 million for an economic development program. Of the \$17 million, approximately \$9 million will go to the Dollar More Program, \$4 million for a new low-income weatherization program and \$4 million for creation of a residential and commercial energy efficiency fund.

In addition, AmerenUE agreed to commit to undertake commercially reasonable efforts to make energy infrastructure investments totaling \$2.25 billion to \$2.75 billion from January 1, 2002 through June 30, 2006. This investment will include additional generating capacity as well as transmission system upgrades.

The agreement approved last July was the end result of extensive negotiations conducted by all parties to a PSC Staff complaint case against AmerenUE. The complaint case was filed in July of 2001 by the Staff of the Missouri Public Service Commission which had alleged in testimony before the Commission that AmerenUE's electric rates at that time were not just and reasonable and should be reduced.

AmerenUE serves approximately 1.1 million electric customers in Missouri.